

EXHIBIT K

[PUBLIC VERSION]

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF WYOMING

CUSTODIA BANK, INC.,

Plaintiff,

vs.

No.

FEDERAL RESERVE BOARD OF

22-cv-00125-SWS

GOVERNORS and FEDERAL RESERVE

BANK OF KANSAS CITY,

Defendants.

CONFIDENTIAL DEPOSITION OF JACKIE NUGENT, a
witness, taken on behalf of the Plaintiff before
Kelsey Robbins Schmalz, CSR No. 1571, CCR No. 1148,
RPR, pursuant to Notice on the 15th of November,
2023, at the offices of the Federal Reserve Bank of
Kansas City, 1 Memorial Drive, Kansas City, Missouri.

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1 frame, had Custodia -- it was Avanti then, but
2 Custodia or Kraken, had they already been chartered,
3 to your knowledge, by the State of Wyoming?

4 MS. CARLETTA: Objection. Form.

5 A. I can't recall when they were
6 chartered.

7 BY MR. ORTIZ:

8 Q. So I guess I'm a little confused when
9 you said you were doing this just out of your own
10 curiosity. Did people up the chain of command know
11 that you were participating with the Wyoming Banking
12 Commission on a scheduled call every two weeks to go
13 over their supervisory framework for SPDIs?

14 A. Yes, they were aware.

15 Q. And were they encouraging you to do
16 that?

17 A. They did not discourage me.

18 Q. I take it you were being open and
19 honest in your communications with representatives
20 from the State of Wyoming?

21 A. Yes, given an informal feedback
22 relationship.

23 Q. Were the representatives from the
24 State of Wyoming entitled to rely on what you
25 were telling them that were being stated in good

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1 faith?

2 A. Albert understood that our thoughts
3 were informal.

4 Q. Are you telling me that you could say
5 things that weren't true on behalf of the Kansas City
6 Fed?

7 MS. CARLETTA: Objection. Form.
8 Misstates testimony.

9 BY MR. ORTIZ:

10 Q. And informal thought, you still want
11 that to be accurate and honest, agree?

12 MS. CARLETTA: Objection. Form.

13 A. I have a great deal of respect for our
14 colleagues at any federal or state agency, so I have
15 an interest in being professional.

16 BY MR. ORTIZ:

17 Q. Did you find that you were impressed
18 with the statutory supervisory framework that the
19 Wyoming Banking Commission had put in place for the
20 SPDIs?

21 MS. CARLETTA: Objection. Form.

22 A. Can you ask again?

23 BY MR. ORTIZ:

24 Q. Sure. Were you impressed with the
25 supervisory framework that Wyoming created for these

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1 SPDI charters?

2 MS. CARLETTA: Same objection.

3 A. I had appreciation for how they went
4 about developing the supervisory framework. That did
5 not mean I didn't have questions or think that there
6 may be gaps.

7 BY MR. ORTIZ:

8 Q. Did you give them advice on changes
9 that needed to be made or gaps that needed to be
10 filled as we're going through these months and months
11 of phone calls and interactions?

12 MS. CARLETTA: Objection. Form.

13 A. I shared my perspectives from my role
14 in examinations.

15 BY MR. ORTIZ:

16 Q. And after you shared your perspective,
17 were there times that the Wyoming supervisory rules
18 or framework changed to incorporate your thoughts
19 from your perspective?

20 A. I don't know.

21 Q. Were there times, for instance, you
22 saw things that they had added based on comments you
23 had given them?

24 MS. CARLETTA: Objection. Form.

25 A. I don't know.

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1 A. Yes.

2 Q. And you accepted that offer?

3 A. Yes.

4 Q. And you shared your thoughts with them
5 about that -- what Promontory was doing?

6 MS. CARLETTA: Objection. Form.

7 A. We did not share our thoughts with
8 them.

9 BY MR. ORTIZ:

10 Q. One way or another?

11 MS. CARLETTA: Objection. Form.

12 A. Correct. We did not share our
13 thoughts with them.

14 BY MR. ORTIZ:

15 Q. Did you have any follow-up meetings
16 with Promontory after this meeting?

17 A. I can't recall. We had an
18 introductory call. I can't recall if we had a second
19 follow-up.

20 Q. Did you form an impression one way or
21 another about their competency or sophistication
22 level after that meeting?

23 A. Personal opinions. The consultants
24 working on the manuals seemed to have relevant
25 backgrounds.

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1 Q. Any other impressions you formed?

2 A. As I mentioned earlier, I personally
3 thought they took a thoughtful approach to developing
4 the framework.

5 Q. Anything else?

6 A. No.

7 Q. All right. Let me move to Page 18322,
8 and there is a date of July 8th, '20, and it says,
9 Christi.

10 Would that be Christi May-Oder?

11 A. I believe so.

12 Q. And this says, Regarding NTMA meeting.
13 Is that nontraditional master account?

14 A. Yes.

15 Q. Were you part of a committee, that
16 committee?

17 A. No.

18 Q. Did you go to those NTMA meetings?

19 A. I went to internal Kansas City
20 meetings that were titled NTMA as well.

21 Q. So how do I interpret this? Is this
22 information -- where you put like Christi's name and
23 a date, is this information Christi is sharing with
24 you?

25 A. This appears to me to be information